



**MOBILEHOME RENT REVIEW COMMISSION  
AGENDA**

**THURSDAY, JULY 15, 2010  
6:00 P.M.**

**CITY HALL  
COUNCIL CHAMBERS**

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**CALL TO ORDER/ROLL CALL**

Brett Davis \_\_\_\_\_, Steve Epsten \_\_\_\_\_, Rudy Gonzalez \_\_\_\_\_, Edmond LaPierre \_\_\_\_\_, Sam Longanecker \_\_\_\_\_, Cesar Padilla \_\_\_\_\_, Ramon Riesgo \_\_\_\_\_.

**1. APPROVAL OF MINUTES**

❖ 6/16/10, attachment as Item No. 1

**2. BRENTWOOD MOBILE HOME PARK HEARING CONTINUATION** – The Commission tabled the discussion from the May 19<sup>th</sup> & June 16<sup>th</sup> Hearings to continue the consideration of proposed rent increases for two hundred (200) spaces at Brentwood Mobile Home Park, located at 1100 Industrial Boulevard in Chula Vista, attached as Item No. 2.

**3. STAFF COMMENTS**

**4. MEMBERS COMMENTS**

**5. PUBLIC COMMENTS**

Opportunity for members of the public to speak to the Mobilehome Rent Review Commission on any subject matter within the Commission's jurisdiction but not an item on today's agenda. Each speaker's presentation may not exceed three minutes.

**6. ADJOURNMENT** – To the next regularly scheduled meeting of October 21, 2010.

Dated: 7/7/10

**COMPLIANCE WITH AMERICANS WITH DISABILITIES ACT (ADA)**

The City of Chula Vista, in complying with the Americans with Disabilities Act (ADA), request individuals who require special accommodations to access, attend, and/or participate in a City meeting, activity, or service request such accommodation at least forty eight hours in advance for meetings and five days for scheduled services and activities. Please contact Redevelopment & Housing for specific information at (619) 691-5047 or Telecommunications Devices for the Deaf (TDD) at (619) 585-5647. California Relay Service is also available for the hearing impaired.

**CITY OF CHULA VISTA  
DRAFT MINUTES  
MOBILEHOME RENT REVIEW COMMISSION**

Wednesday, June 16, 2010  
6:00 P.M.

CITY HALL  
COUNCIL CHAMBERS

**CALL TO ORDER/ROLL CALL – 6:01 P.M.**

**PRESENT:** Brett Davis, Steve Epsten, Rudy Gonzalez, Sam Longanecker, Cesar Padilla, Ramon Riesgo, Pat LaPierre

**ABSENT:** N/A

**STAFF:** Stacey Kurz, Senior Project Coordinator  
Simon Silva, City Attorney

**1. APPROVAL OF MINUTES**

May 19, 2010

*Member Davis made a motion to approve the minutes as corrected. Member Riesgo seconded the motion. Correction to the minutes – Commissioner Longanecker was not the member who requested the reason for members abstaining. Staff member Kurz suggested the phrase "members requested" and made an additional correction to the minutes. The phrase "donated time by affected residents" was changed to "time was donated by". Chair Padilla requested a grammatical change to Item 3, line 3 to read "based on". All members agreed to approve the approval of the minutes as corrected.*

**2. BRENTWOOD MOBILE HOME PARK HEARING CONTINUATION**

The Commission had closed the public discussion from the May 19<sup>th</sup> hearing and this meeting will continue the Commissioner's discussion on the proposed rent increases for two hundred (200) spaces at Brentwood Mobile Home Park, located at 1100 Industrial Boulevard in Chula Vista.

Staff Kurz provided an update on what had occurred since the last meeting (May 19<sup>th</sup>). As noted, the public testimony had been closed and there was a request by the Commission to see if there was additional information regarding the acquisition of the park and/or knowledge regarding the Title 25 code violations that had existed. A request was made of both residents and the park owner to submit any additional information that was available. All items received were included in the staff report as Attachments 2A and 2B. In addition, several items presented at the May 19<sup>th</sup> hearing that were requested by the Commission were included in the packet (Attachments 1A-1D). Staff Kurz further noted an error in the staff report dated May 3, 2010, Table 5 (exhibit 3 of May 19<sup>th</sup> packet), which averaged the affected spaces at Brentwood of \$531 and it should have indicated the whole park at \$556. Further, at the time the March rent roll was given to staff there were approximately 11 vacant spaces, which were excluded from the average.

Staff Kurz also indicated there was a letter received within the last week from the Public Utilities Commission (PUC) indicating a complaint had been filed. That letter is included in the Commission packet in the resident portion as Attachment 2. The PUC has received that letter and it does indicate that it could take up to a month to review the complaint. On that letter, it reflects that the complaint was filed through the PUC for the Pacific Gas & Electric and as we know it is San Diego Gas & Electric. A letter from the PUC confirming that it is San Diego Gas & Electric was received.

Attorney Silva stated that he has had an opportunity to look at the response from the PUC as well as the initial complaint. After reading those documents, as well as the relevant case law, it is the Attorney's recommendation that the item should be tabled for one month to let the PUC make a determination as to

## Mobilehome Rent Review Commission

### Minutes

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what an appropriate pass through would be. Particularly since the amount of expenditures spent on the electrical constitutes a large portion of the Capital Improvements that are being claimed – almost half. There are several decisions where guidance is provided on this case including: PUC D95-08-056, a Court of Appeals decision (Hillsborough vs. Public Utilities Commission), and Public Utilities Code Section 73.5, subdivision G. Attorney Silva is concerned about prolonging the decision, but because of these rulings, and the fact that the PUC has indicated it may respond within 30 days, he expressed his position that it would be in everyone's best interest to wait for a PUC decision.

Commissioner Gonzales inquired as to whether Attorney Silva would be presenting the City's position to the PUC and Attorney Silva indicated that the City would likely provide the PUC with information identifying the City's perspective of the issues. Commissioner Gonzales noted that Dr. McCann's report on page 3, paragraph 3, first line, discussed the replacement of the electrical system vs. reinforcement or upgrade.

Chair Padilla asked if there was any further discussion or is there was a new recommendation to table the item for a month until there is a recommendation from the PUC.

Park owner representative Dahlin requested to speak to the issue that the City Attorney has raised about tabling the decision for a month. Mr. Dahlin does not believe the PUC will have a factual and binding determination within a month. He suggested that, if the electrical element was in question, the commission delete that amount from the rent increase until a PUC decision was reached and/or that the portion deemed in dispute be collected into a segregated account to hold that money.

Member Davis made a motion to table the matter indefinitely until the Commission hears from the PUC. There was no second and the motion died.

Chair Padilla asked staff to reconfirm their recommendation. Staff Kurz reaffirmed that the recommendation was to establish the market rent which was in the mid-\$500 to \$600 range based on comparable rents and raise those rents below the market value up to market, but not to exceed the \$96 over 3 years.

Chair Padilla asked for further discussion.

Commissioner Gonzales commended the efforts of the operators of the mobilehome park and their efforts in upgrading the park, however indicated there were a few items in the request that he did not agree should be passed through, including the replacement of the electrical distribution system. He again referenced the report from Mr. McCann and letter from Mr. Dahlin that state the CPUC rules where an electrical expense can be passed on to the customer and the terminology used in their reports as "replacement" rather than reinforced or upgraded. He further indicated that he believed the fire hydrant system is an expected health and safety related item. Commissioner Gonzales understood that the 9 new sites being constructed would not be under rent and therefore their cost should not be passed on to the current residents. And finally, he expressed that the lease extension should not be passed through since the people that benefited from this cost are the land owner and the park operator. Commissioner Gonzales made a motion that the rent increase be reduced from \$96 over three years to \$27, disallowing \$69 which is the pro-rated share from the information that the Commission was given. There was no second to the motion and the motion died. Discussion continued.

Commissioner Epsten somewhat agreed with Commissioner Gonzalez's comments, however believed the City Ordinance allows ground lease as an expense that can be passed on. He does not agree with the electrical exemption due to the 30 amp system being upgraded to a 100 amp system, therefore believes the system was replaced and upgraded. There was discussion regarding the past owners and how they collected money from SDG&E but never invested it back into the park. Commissioner Epsten indicated that the new owners made necessary improvements and should be commended for doing so.

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Commissioner Gonzales again directed the Commission's attention to the terminology used in regards to the electrical system.

Chair Padilla determined that there was one Commissioner that believed it should be considered in the rent increase and another Commissioner that states that, because the way it was written, he does not believe it should be included. As the City Attorney's Office has indicated, we are not here to determine the legality of the electrical system being allowed, it is the responsibility of the PUC to determine that. This leads us back to the choice of whether we should wait to hear from the PUC. Chair Padilla expressed his discomfort making a decision prior to all information being obtained.

Commissioner Davis made a motion to table the item until a response from the PUC is received. There was a second to the motion and there was further discussion. Commissioner Gonzales wants to be fair to the operator and does not feel the PUC will make a clear determination and if it does, will not be within 30 days. He feels that if we reference the documents we have from legal counsel and the wording of the documents the Commission could make that determination. There was extensive discussion between Commissioner Gonzales and Mr. Dahlin regarding the use of terms replacement, repair, upgrade and reinforce. Based on the conversation, Commissioner Gonzales will now also support the idea that the item be tabled and to allow the PUC to make the decision as to allowable expenses.

Commissioner Riesgo wanted to make it clear that if we waited for the PUC's decision we may have to wait 30 days, or 6 months or a year. According to what has been presented by the Attorney's office and the park owners, he feels that there should be a neutral entity making the final determination as to allowable expenses to be passed through.

Attorney Silva advised the Commission that they do have the ability to determine whether or not it would allow or not allow the electrical improvement or upgrade to be a factor based on the evidence they have. The issue is whether or not that decision would be consistent with the determination of the PUC. One of the cases that was researched was of a city who allowed expenses to be passed on and the PUC determined they were not allowable, thus causing a refund to residents. His recommendation would be to table the item for a reasonable amount of time (45 days) and in the meantime he will be conducting further research. The other issue is that part of the Muni Code requires that rent review try to be completed within 120 days.

Chair Padilla requested a clarification as to 120 days from what date. Attorney Silva advised from the receipt of the notice of the dispute of the rental increase. The rental increase was proposed on January 31<sup>st</sup> and a petition was received on February 9<sup>th</sup>. Attorney Silva clarified that the 120 days was a goal not a mandatory time frame and Commissioner LaPierre concurred.

Commissioner Gonzales, in fairness to the park owner, wanted to support a time certain motion and suggested no more than 45 days. Commissioner Davis wanted to leave it open-ended and wait for a decision by the PUC. The amendment failed and a vote was taken on the motion to leave it open until a determination was made by the PUC regarding the electrical factor. The motion failed.

A new motion was made by Commissioner Gonzales to allow a new rent increase of \$27 over a 3 year period that would exclude the question of the electrical system replacement, the fire hydrant system, the construction of 9 new sites and the lease extension – that those not be charged as part of the increase. There was no second and the motion failed.

Commissioner Epstein asked if the one-time lease extension was an allowable expense. Chair Padilla indicated that there had been a question regarding that at the last meeting and it was determined as an allowable expense. He noted that the Commission does have the ability to determine that.

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Commissioner Riesgo made a motion of tabling the item for no more than 45 days or until the PUC has made a determination. The motion was seconded. There was discussion as to the next scheduled meeting being July 15 (30 days) or waiting 45 days (in August). Chair Padilla suggested that if the Commission meets in 45 days a decision be made. Staff member Kurz advised the Commission that they do have the ability to pass the rent increase retro-actively to the anniversary date to where the initial notice was given. Chair Padilla asked for some clarification as to whether, if the rent increase was retroactive, if the tenant would have to submit a lump-sum amount. Staff member Kurz stated that there was nothing in the Ordinance that would prevent or require that.

Commissioner Gonzales asked for clarification of the May 1<sup>st</sup> date. Staff Kurz indicated that notices were provided at least 90 days prior to the first anniversary date of May 1<sup>st</sup>, but not all residents were to receive the increase that date, some were a month or more after that date. Commissioner Gonzales also requested a clarification as to what exactly we were asking of the PUC. Attorney Silva stated that we were requesting a determination as to whether the electrical upgrade and/or replacement was a permissible pass-through to calculate the capital improvement. Commissioner Gonzales stated that because of the verbiage and the report by Dr. McCann, that that will be the crux of the decision. Attorney Silva said that it could be a factor in their decision, but that he thought they would look at the invoices, Dr. McCann's letter and the information we provide. Chair Padilla stated that he felt the PUC would gather information from both parties and that the Commission was looking for clarification as to whether it is a replacement or an upgrade. Chair Padilla also clarified that it was not something that the Commission is submitting to the PUC, it is from a complaint filed by a resident of the park and the Commission wants to be sure the information provide to the PUC is complete so as to be fair to everyone.

Chair Padilla qualified the motion which was to table the Action Item Two – a rent increase in Brentwood Mobilehome Park affecting 200 residents until we hear from the PUC as to whether the electrical system is a replacement or an upgrade for no more than 45 days. Motion passed unanimously. Chair Padilla stressed to the residents that if the rent increases are retroactive, that they will be required to pay them.

### 3. STAFF COMMENTS

None.

### 4. MEMBER'S COMMENTS

Commissioner Epsten suggested that in the next 45 days, the residents and park owner could get together and come to some sort of compromise.

### 5. PUBLIC COMMUNICATIONS

There were two speaker slips, but both were regarding the complaint that was issued and since that has been addressed, no one spoke.

### 6. ADJOURNMENT – Meeting was adjourned at 7:08 p.m.

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Recorder, Stacey Kurz

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**The City of Chula Vista Development Services Department**  
**MEMORANDUM TO THE**  
**MOBILEHOME RENT REVIEW COMMISSION**

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Item No. 2

Staff: Stacey Kurz

**DATE:** July 7, 2010

**SUBJECT:** RENT INCREASE FOR BRENTWOOD MOBILE HOME PARK-  
CONTINUATION OF MAY 19<sup>th</sup> & JUNE 16<sup>th</sup> HEARINGS FOR  
CONSIDERATION OF PROPOSED RENT INCREASES FOR TWO HUNDRED  
(200) AFFECTED SPACES OF BRENTWOOD MOBILE HOME PARK,  
LOCATED AT 1100 INDUSTRIAL BOULEVARD IN CHULA VISTA AND  
REQUEST FOR ADDITIONAL INFORMATION

This memorandum is being provided to the Mobilehome Rent Review Commission regarding the electric system pass through allowance complaint filed with Public Utilities Commission (PUC).

Enclosed please find the following documents for your consideration:

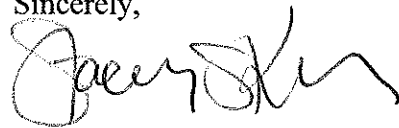
1. PUC confirmation of the complaint 6/14/10
2. PUC response to complaint 6/15/10
3. PUC appeal filed by resident 6/21/10

Staff confirmed by phone on July 6<sup>th</sup> that the PUC would not be reviewing the appeal (Attachment 3) since the complaint was non-jurisdictional to the PUC, as indicated in the initial PUC response dated June 15, 2010.

In addition to the above, the City received a letter from the Southwest Chula Vista Civic Association on July 7<sup>th</sup> that has been included as Attachment 4.

Should you have any questions regarding the attached please contact my office at (619) 585-5609.

Sincerely,



Stacey S. Kurz  
Senior Project Coordinator

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVE  
SAN FRANCISCO, CA 94102



JUNE 14, 2010

File No:108273

Daniel Runyan  
1100 Industrial Blvd Spc D31  
Chula Vista CA 91911

Dear Daniel Runyan,

The California Public Utilities Commission (CPUC) has received your request for assistance and opened your complaint with **SAN DIEGO GAS & ELECTRIC COMPANY**. Please note the assigned file number.

After the utility has responded to your complaint, we will review the findings for compliance with all applicable codes, tariffs, and regulations. We will contact you after the review is completed. Depending upon the complexity of the issues raised in your complaint, this process will take a minimum of one month, the time allowed for the utility to take all necessary investigative steps.

Sincerely,

Consumer Affairs Branch  
1-800-649-7570

## STATE OF CALIFORNIA

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVE  
SAN FRANCISCO, CA 94102*Spoke to  
Commissioner  
Greenick's  
office*

File No: 108273

JUNE 15, 2010

Daniel Runyan  
1100 Industrial Blvd Spc D31  
Chula Vista CA 91911

Dear Daniel Runyan,

The California Public Utilities Commission's (CPUC) has received your request for assistance. However, CPUC jurisdiction over public utilities does not extend to all utility operations.

The CPUC does not have jurisdiction over the following issues:

- \* Federal, city and county imposed taxes and surcharges
- \* New construction rates
- \* Easements
- \* Municipal and mutual utilities
- \* Propane rates
- \* Sewer charges
- \* Subcontractors
- \* Bill dates and service schedules
- \* Rebates and promotions
- \* Interstate and international calls (except for slamming)
- \* Cable and satellite television
- \* Cellular rates and sites
- \* Telephone equipment
- \* Payphone service
- \* Directory advertising
- \* Internet service (including rates, service, speed)
- \* Voice Over Internet Protocol (VOIP)
- \* Landlord/tenant issues
- \* Claims for damages
- \* Liability for asserted damages
- \* Collection agencies
- \* Utility employee conduct

The issue you raised does not fall within CPUC jurisdiction. You may wish to consult another agency, seek legal advice, and/or pursue the issue in a court of competent jurisdiction.

Sincerely,

Wayne Price  
Consumer Affairs Branch  
1-800-649-7570



Daniel Runyan  
Brentwood Mobile Home Park  
1100 Industrial Blvd. Space D31  
Chula Vista, Ca 91911

June 21, 2010

State of California  
Public Utilities Commission 505 Van Ness Ave  
San Francisco, Ca 94102  
Attn: Wayne Price  
File No: 108273

Dear Mr. Price:

Per our conversation on Friday, 06/17/2010, we are filing this appeal to your decision on our above referenced complaint.

As we have explained, the electrical was in serious violation of the health and safety codes as outlined in Title 25.

In consideration of your time, we have only included the cover letters and then highlighted specific violations. We have also included letters from the Chula Vista Planning and Building Dept. & Follett Investment Properties.

If you will look at the areas indicated, you will see that the previous park owner was cited for these violations again and again. The new owners requested and received copies of these violations before they made their decision to buy the park. They were told they would have to bring the park into compliance with title 25. The PUC code 739.5, the Chula Vista Rent Control Ordinance 9.50.73,i,v.

Page 12 of the application for a rent increase by Brentwood MHP, LLC shows the electric distribution system had to be replaced because of serious code violations. The cost for the replacement was \$1, 450,095.99; the amount was amended to allow a credit of \$93,432.76, for a net cost of \$1.354,852.51. The credit is for the discount provided by SDG&E to a master-meter customer. The amount credited by the MHP owner is somewhat disingenuous as it only allows the discount for 3+ yrs, when, in reality, the MHP owner will continue to collect the discount.

I have also included California PUC decisions and the court decision for Rainbow Disposal Co. v. Escondido Mobilehome Rent Review Board, which also document that the park owner may not pass through the replacement of the electrical to the residents of a sub-metered mobile home park.

We have all of the information available for your perusal, however, we felt giving you the first page and the pertinent information would allow you to see all of the documentation without having to read page after page of documents.

I have listed the documents and pages highlighted on a separate sheet of paper.

If there is any further information that you may require, please feel free to contact us.

Respectfully Yours,

Daniel Runyan

CCS: B .Filner  
M. Block  
M. Salas  
S. Castenada  
S. Silva

## REFERENCE PAGE

- 1) Title 25 health and safety code violation
- 2) Page 12 of rent increase application showing replacement of electrical system
- 3) Page 6 of report by Richard McCann, PH.D. showing master-meter credit
- 4) Revised cost of replacement of the electrical system
- 5) Notice of violation HI05-0745 dated August 31, 2005
- 6) Notice, dated October 21, 2005, of continued violation of August 31, 2005 notice
- 7) Notice, dated November 2, 2005, of continued violation of August 31, 2005 notice
- 8) Letter of December 6, 2006 to Erik Rollain documenting conversation with Doug Leeper verifying request for detailed conditions of the property and notification that would cover the replacement of the electrical system.
- 9) Letter of December 8, 2005 to Terri Loretz re: continued violation of HI05-0745
- 10) Letter of December 13, 2006 to Doug Leeper re: compliance agreement.
- 11) Letter of January 4, 2007 to Erik Rollain re: necessity of detailed construction/compliance plan to cover the replacement of the park's electrical system
- 11) Letter of February 23, 2007 from Doug Leeper to Erik Rollain re: release of recordation of violations before escrow and re-recording of same after close of escrow
- 12) SDG&E Schedule DT re: conditions for receiving submeter rate discount
- 13) Letter dated June 4, 2010 from attorney Dahlin to Stacy Kurz, page 4 re: entirety of electrical system needed replacement
- 14) Appendix A excerpt from Rainbow Disposal Co v Mobilehome Park rental Review Board (Escondido) (64 Cal.App.4<sup>th</sup> 1159, 75 Cal.Rptr. 2d. 746 (1998) California Court of Appeal
- 15) Case No. 00-01-017 Hambly vs. Hillsboro Properties and the city of Novato

### Article 3. Electrical Requirements

#### § 1130. Application and Scope.

(a) The requirements of this article shall apply to all parks, accessory buildings or structures, and units (except within permanent buildings) in all parts of the state, to the construction, installation, alteration, repair, use, and maintenance of all electrical wiring and equipment for supplying electrical energy to all units.

(b) Existing electrical construction, connections, and installations made before the effective date of the requirements of this chapter may continue in use so long as they were in compliance with requirements in effect at the date of their installation and are not found to be substandard.

NOTE: Authority cited: Sections 18300, 18610 and 18670, Health and Safety Code. Reference: Sections 18610 and 18670, Health and Safety Code.

#### § 1132. Permanent Building Electrical Regulations

Requirements for electrical equipment and installations within permanent buildings in parks are found in the California Electrical Code.

NOTE: Authority cited: Sections 18300, and 18670, Health and Safety Code. Reference: Section 18300 and 18670, Health and Safety Code.

#### § 1134. Electrical Requirements.

(a) Except as otherwise permitted or required by this article, all electrical equipment and installations outside of permanent buildings in parks shall comply with the requirements for installations of 600 volts or less found in the California Electrical Code.

(b) All park-owned overhead electrical equipment of park electrical systems shall also comply with the applicable requirements of the current California Public Utilities Commission Rules for Overhead Electric Line Construction, General Order No. 95. If there is any conflict between the provisions contained in the California Electrical Code and General Order 95, the provisions of General Order 95 shall prevail.

(c) All park-owned underground electric equipment of park electrical systems shall also comply with the applicable requirements of the current California Public Utilities Commission, Rules for Construction of Underground Electric Supply and Communication Systems, General Order No. 128. If there is any conflict between the provisions contained in the California Electrical Code and General Order 128, the provisions of General Order 128 shall prevail.

(d) All additions or alterations to existing or new parks shall have plans submitted in compliance with section 1034 of this chapter.

(e) Except as otherwise permitted or required, all high voltage (exceeding 600 volts) electrical installations outside of permanent buildings within parks, shall comply with the applicable requirements of Title 8, California Code of Regulations, Chapter 4, Subchapter 5, Group 2, High Voltage Electrical Safety Orders.

(f) If there is any conflict between the provisions of this chapter, General Order 95, General Order 128, or the California Electrical Code, the provisions of this chapter shall prevail.

Note: General Order Numbers 95 and 128 may be obtained from the California Public Utilities Commission (CPUC) Technical Library, 505 Van Ness Ave., San Francisco, CA 94102 or by calling the CPUC at (415) 703-1713. They may also be viewed on line at [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

NOTE: Authority cited: Sections 18300, 18610, and 18670, Health and Safety Code. Reference: Sections 18610 and 18670, Health and Safety Code.

#### § 1136. Conductors and Equipment.

(a) 600 volts or less. For purposes of this chapter, all electrical conductors and equipment rated at 600 volts or less, installed outside of permanent buildings in park electrical wiring systems constructed, or approved for construction, shall be listed and labeled as approved for their intended use.

(b) Greater than 600 volts. Conductors and equipment installed in systems operated at more than 600 volts shall comply with the applicable provisions contained in the California Electrical Code, Article 490, and the High Voltage Safety Orders contained in Title 8, California Code of Regulations, Chapter 4, Subchapter 5, Group 2.

(c) A grounded neutral conductor may be a bare conductor when properly isolated from phase conductors. A bare neutral conductor, or a bare concentric stranded conductor of a cable used as a grounded neutral conductor, shall be copper when installed underground. These systems shall be solidly grounded.

NOTE: Authority cited: Section 18300, Health and Safety Code. Reference: Section 18670, Health and Safety Code.

#### § 1138. Energizing

Lot electrical equipment and installations shall not be energized until inspected and approved by the enforcement agency.

NOTE: Authority cited: Section 18300, Health and Safety Code. Reference: Section 18670, Health and Safety Code.

Upon acquisition of Brentwood, the Park owners completed repairs to the Park as a result of the City's inspection of the park for serious code violations under the previous ownership as follows in Table 4.

Table 4: Repairs Required

Description	\$	Status
Replacement of electric distribution system	1,450,095.99	Completed
Installation of fire hydrants	410,299.27	Completed
<b>TOTAL</b>	<b>\$ 1,860,395.26</b>	

*g. Other operating and maintenance costs.*

Pursuant to CVMC §9.50.073.A.1.g., the Commission shall consider other operating and maintenance costs with certain exceptions. Specifically, the code provides, in pertinent part, that "operating expenses" shall not include: (i) avoidable and unnecessary expenses, including refinancing costs; and (ii) legal fees, except legal fees incurred in connection with successful good-faith attempts to recover rents owing, and successful good-faith unlawful detainer actions not in derogation of applicable law, to the extent same are not recovered from residents.

Based on the documentation provided, the park owner is not claiming any other operating or maintenance costs at this time.

2. *In considering the existing or expected income from owning and operating the park, the Commission should consider the rent schedule for all spaces in the park and any similar or related items verifying income for the mobilehome park for the last three years, the reasonableness of such items, and changes to them.*

The rent schedule was submitted for the current year. Monthly income collected from rents total approximately \$136,330. This represents a 14% or \$19,722 increase since 2007 when monthly rental income was approximately \$116,608.

**B. Rate of Return in Previous Years** - *Rate of return earned by the park owner in previous years as determined by a fair market appraisal conducted by a Member Appraisal Institute (MAI) appraiser. The City, as well as the park owner shall have the right to hire their own independent MAI appraiser.*

Information has been provided for January 2007 to December 2009, showing a negative net income during that period. However, the park was only recently acquired in April 2007. Information related to the current owner's revenue and expenses may not accurately reflect the future income stream from the park or costs of operating the park on a day to day basis because of proposed rent increases and expenses that are directly related to the acquisition of the property.

**C. Reduction in the Resale Value** - *The extent to which the proposed rental increase will*

**7. How Much Will Brentwood MHP Recover of Its Capital Investment Costs through the SDG&E Master Meter Discount?**

SDG&E calculated the master meter discount (or submeter credit) using the "marginal customer cost" (MCC) methodology consistent with CPUC D.04-11-003, Order Number 7. SDG&E made that calculation in its 2005 Rate Design Window filing (A.05-02-019). The CPUC adopted SDG&E's proposed master meter discount of \$0.272 per space per day for Schedule DT in D.05-12-003. The Capital Investment Cost component of the master meter discount, consistent with CPUC D.04-04-043, is \$362.14 per space. Thus, the total Capital Investment Cost to be recovered through the master meter discount is \$93,432.76. This amount is to be excluded from rent, per CPUC D.04-04-043.

**Conclusions**

**8. What Are the Specific Components of Electric Utility Service Not Recovered in the Submeter Credit Which Are Included in the Brentwood Application?**

Since the (1) the electricity system was reinforced per the definition in SDG&E's Rule 16, and (2) the streetlights are part of the park's common area, the total Capital Investment Cost for utility system is eligible to be recovered through rents. No other utility systems were installed or replaced simultaneously; therefore, the trenching costs need not be allocated among different utility services per CPUC D.04-05-056. The submeter credit of \$93,432.76 is credited against the total cost of \$1,461,172.01. The remaining Capital Investment Cost can be recovered through rents. The total allowed, without any interest or "return on investment, [and] taxes related to capital investment (including property taxes)," is \$1,367,739.25.

**9. What Are Your Conclusions about the Brentwood Capital Improvement Rent Application?**

The Brentwood application for a Capital Improvement rent increase is consistent with CPUC policies and decisions that implement PUC §739.5, including D.04-04-043, D.04-05-056, D.04-11-033, and D.05-12-003. The application includes only those costs which are definitively outside of SDG&E's responsibility, and as such, are not included in the submeter system when calculating the submeter credits in Schedules DT for SDG&E. Based on this analysis, the Capital Improvement rent request should include \$1,367,739.25 in electric service costs.

**10. Final Declaration**

I could and would competently testify to the foregoing facts and conclusions herein from my own personal knowledge and/or expertise. I have been paid at my normal professional hourly rate of \$200 per hour to review the application submitted by Brentwood Mobile Home Park and \$300 per hour to present this declaration explaining how the submeter credit is developed and implemented by the CPUC, and the serving public utility, SDG&E.

**BRENTWOOD MHP CAPITAL EXPENDITURE RECOVERY ANALYSIS**

DESCRIPTION OF COMPLETED OR IN PROCESS PROJECTS	COST
1. COMPLETE REPLACEMENT OF THE ELECTRIC DISTRIBUTION SYSTEM	\$ 1,354,852.51
2. STREET REPAIR AND RESURFACING	\$ 324,300.50
3. PURCHASE STREET LIGHT FIXTURES AND POLES	\$ 11,076.02
4. INSTALLATION OF A COMPLETE FIRE HYDRANT SYSTEM THROUGHOUT BRENTWOOD	\$ 410,299.27
5. INSTALLATION OF BLOCK PERIMETER WALL ALONG NORTH SIDE OF PROPERTY	\$ 55,300.00
6. REMODEL AND RE-PLASTER POOL, JACUZZI AND DECK AREA	\$ 38,175.50
7. CONSTRUCT BLOCK WALL BEHIND POOL	\$ 12,050.00
8. REPLACE ROOF ON CLUBHOUSE	\$ 11,000.00
9. REPLACE WINDOWS IN CLUBHOUSE	\$ 15,186.00
10. CONSTRUCTION OF 9 NEW SITES TO REPLACE OLD RV AREA	\$ 96,224.19
11. PURCHASE AND INSTALLATION OF SECURITY CAMERA SYSTEM	\$ 3,661.92
12. CLUBHOUSE PAINTING	\$ 7,500.00
13. INSTALL CONCRETE FOR CENTRAL MAILBOX UNITS	\$ 2,510.00
14. REPAIR OF CITY STORM DRAIN LINE	\$ 17,579.87
15. REMODELING OF PARK OFFICE	\$ 5,820.00
<b>TOTAL</b>	<b>\$ 2,365,535.78</b>

DESCRIPTION OF PROJECTS TO BE COMPLETED	COST
1. CONSTRUCTION OF NEW LAUNDRY & MAINTENANCE BUILDING	\$ 150,000.00
2. REMOVAL OF OLD LAUNDRY BUILDINGS	\$ 20,000.00
3. FINAL STREET REPAIR AND RESURFACING	\$ 163,600.00
4. RESURFACING OF ALL DRIVEWAYS	\$ 75,450.00
<b>TOTAL</b>	<b>\$ 409,050.00</b>

ADDITIONAL LEASE COSTS	COST
1. ONE TIME INITIAL LEASE EXTENSION PAYMENT 12/31/18 - 12/31/2049	\$ 450,000.00
<b>TOTAL</b>	<b>\$ 450,000.00</b>

**GRAND TOTAL \$ 3,224,585.78**

GROSS MONTHLY RENT REVENUE NEEDED TO RECAPTURE TOTAL CAPITAL EXPENSE, AMORTIZED OVER 40 YEARS, WITH 9% INTEREST/RATE OF RETURN FACTOR	\$24,873.21
MONTHLY SPACE RENT NEEDED ON A SPACE BY SPACE BASIS TO COLLECT NEEDED MONTHLY REVENUE TO RECAPTURE CAPITAL EXPENSES INCURRED AFTER PURCHASE OF LEASEHOLD	\$96.40



PLANNING & BUILDING DEPARTMENT

August 31, 2005

Brentwood Mobile Home Park  
Hall Trust  
Attn: Manager  
1100 Industrial Blvd.  
Chula Vista CA 91910

Subject: Notice of Violation HI05-0745

An inspection of your mobile home park (Brentwood) has been completed, and the following items have been encountered.

1. Throughout the park, the electrical pedestals and panels are in a state of disrepair, are not properly grounded, have parts missing or badly corroded, and are at distances in excess of 4 feet from the mobile home. Due to the lack of maintenance, the circuit may be interrupted to the neutral, causing serious voltage spikes in the homes, damaging appliances and creating a dangerous condition for the occupants.

As a result of the above defects, the electrical system is declared substandard. The electrical system must be replaced to current standards. CCR Title 25 Article 3 Section 1130 (b), Article 10 Section 1605(d)(1).

2. Gas lines and regulators at 13 locations along roadways throughout the park have no, or insufficient, protection from impact. 4" diameter steel bollards 6 feet long, filled with concrete set in 12" min. diameter concrete footings must be installed at each location to provide complete protection (minimum of 2 bollards per location). CCR Title 25 Article 4 Section 1228.

3. Gas meters, electrical and water connections in carports are unprotected from impact. Bollards must be installed at each exposed utility location. CCR Title 25 Article 3 Section 1178, Article 4 Section 1228, and Article 5 Section 1280.

4. Cabinets and pedestals for telephone and cable television are in a substantial state of disrepair and deterioration, and are declared substandard. New all weather enclosures must be installed, wiring must be properly contained and all connecting blocks and mechanisms must be properly mounted and protected from weather. CCR Title 25 Article 3 Section 1170.



5. Deteriorated roads and driveways must be patched and re-surfaced. Driveways and yards at mobile homes must be filled and sloped to drain away from home to prevent water accumulation in driveway and under home. Surfacing must conform to Fire Department Standards. CCR Title 25 Article 2 Section 1116 and 2001 California Fire Code Part III Article 9 Section 902.2.2.2.

6. Trash pickup service is insufficient and declared substandard. Frequency of pickup or quantity of containers must be approximately doubled to provide sufficient capacity to keep lids of containers tightly closed and prevent spillage outside of bins between pickup cycles. Curbside service may be a better alternative for residents. CCR Title 25 Article 2 Section 1120 (d), and Article 10 Section 1605(a)(8).

7. Board and Secure abandoned mobile home in space D-41 against entry or remove from park. This home is declared substandard and a public nuisance. Remove illegal additions and storage units. CCR Title 25 Article 10 Section 1606(a)(6), California Civil Code Sections 3479 and 3480.

8. All items in Fire Department Inspection Report dated 7/30/2004 must be corrected. CCR Title 25 Article 10 Section 1605(h).

9. All cast iron hubs at sewer connections are deteriorated to the point they are no longer able to provide a positive seal; are declared substandard and shall be replaced with new. Entire sewer drain line system is to be inspected by camera for condition, and report submitted to Code Enforcement for review. CCR Title 25 Article 5 Section 1254(b),(c).

The following timeframes to correct Notice of Violation HI05-0745 are in effect:

a. Brentwood Mobile Home Park must design, permit, and replace the electrical distribution system to the individual spaces throughout the park and must retain the services of a California Licensed Electrical Engineer to provide design and plans for permit.

b. Brentwood is required to retain the services of a California Licensed Professional Electrical Engineer within 20 calendar days of the date of Notice of Violation, submit preliminary plans prepared by a California Licensed Professional Engineer to the Building Department within 34 calendar days of the date of Notice of Violation, and submit for permit to the City of Chula Vista complete plans for a complete system throughout the park within 14 calendar days of approval of the submitted preliminary plan.

c. Subsequent to approval by the City of Chula Vista, a California Licensed Electrical Contractor shall be hired by Brentwood within 30 calendar days of permit approval, and shall commence work within 45 calendar days of permit approval. Construction shall continue uninterrupted until completion and final inspection approval have been accomplished.

d. 4" diameter steel bollards 6 feet long, filled with concrete must be installed at each of the 13 roadside locations within 30 calendar days from the date of Notice of Violation.

e. Bollards at gas meters, electrical and water connections in all carports must be installed at each exposed utility location within 60 calendar days of the date of this Notice of Violation.

f. Cabinets and pedestals for telephone and cable television must be installed, wiring

CALIFORNIA CODE OF REGULATIONS, TITLE 25 DIVISION 1 CHAPTER 2

**Article 3. Electrical Requirements**

**§ 1130. Application and Scope.**

(a) The requirements of this article shall apply to all parks, accessory buildings or structures, and units (except within permanent buildings) in all parts of the state, to the construction, installation, alteration, repair, use, and maintenance of all electrical wiring and equipment for supplying electrical energy to all units.

(b) Existing electrical construction, connections, and installations made before the effective date of the requirements of this chapter may continue in use so long as they were in compliance with requirements in effect at the date of their installation and are not found to be substandard.

NOTE: Authority cited: Sections 18300, 18610 and 18670, Health and Safety Code. Reference: Sections 18610 and 18670, Health and Safety Code.

**§ 1132. Permanent Building Electrical Regulations**

Requirements for electrical equipment and installations within permanent buildings in parks are found in the California Electrical Code.

NOTE: Authority cited: Sections 18300, and 18670, Health and Safety Code. Reference: Section 18300 and 18670, Health and Safety Code.

**§ 1134. Electrical Requirements.**

(a) Except as otherwise permitted or required by this article, all electrical equipment and installations outside of permanent buildings in parks shall comply with the requirements for installations of 600 volts or less found in the California Electrical Code.

(b) All overhead electrical supply conductors and supporting structures used for supplying the park electrical system shall comply with the applicable requirements of the current California Public Utilities Commission Rules for Overhead Electrical Line Construction, General Order No. 95.

(c) All underground electric supply conductors used for supplying the park electrical system shall comply with the applicable requirements of the current California Public Utilities Commission, Rules for Underground Electrical Supply and Communications Systems, General Order No. 128.

(d) All additions or alterations to existing or new parks shall have plans submitted in compliance with section 1034 of this chapter.

(e) Except as otherwise permitted or required, all high voltage (exceeding 600 volts) electrical installations outside of permanent buildings within parks, shall comply with the applicable requirements of Title 8, California Code of Regulations, Chapter 4, Subchapter 5, Group 2, High Voltage Electrical Safety Orders.

(f) If there is any conflict between the provisions of this chapter and the California Electrical Code, the provisions of this chapter shall prevail.

Note: General Order Numbers 95 and 128 may be obtained from the California Public Utilities Commission (CPUC), Technical Library, 505 Van Ness Ave., San Francisco, CA 94102 or by calling the CPUC at (415) 703-1713. They may also be viewed on line at [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

NOTE: Authority cited: Sections 18300 and 18670, Health and Safety Code. Reference: Sections 18610 and 18670, Health and Safety Code.

**§ 1136. Conductors and Equipment.**

(a) 600 volts or less. For purposes of this chapter, all electrical conductors and equipment rated at 600 volts or less, installed outside of permanent buildings in park electrical wiring systems constructed, or approved for construction, shall be listed and labeled as approved for their intended use.

(b) Greater than 600 volts. Conductors and equipment installed in systems operated at more than 600 volts shall comply with the applicable provisions contained in the California Electrical Code, Article 490, and the High Voltage Safety Orders contained in Title 8, California Code of Regulations, Chapter 4, Subchapter 5, Group 2.



PLANNING & BUILDING DEPARTMENT

October 21, 2005

Brentwood Mobile Home Park  
Attn: Manager  
1100 Industrial Blvd.  
Chula Vista CA 91910

Hall Trust  
Attn: Administrator  
P O BOX 3201  
YOUNTVILLE CA 94599

Subject: Title 25 Mobile Home Park inspection

California Health and Safety Code Section 18400.1, amended and effective 1/1/2000, requires mobilehome/manufactured home enforcement agencies to enter and inspect mobilehome parks to ensure enforcement of the Mobilehome Parks Act. The City of Chula Vista (City) has conducted an inspection of the general areas, buildings, equipment, and utility systems of your mobilehome park, and each individual lot. Violations of the California Health and Safety Code have been discovered, and are required to be corrected.

Within the attached Inspection Report are requirements and timeframes that must be met. In the event these requirements and timeframes are not met, additional enforcement actions will be taken. These actions, with the specific applicable code section references, are contained within the Notice of Violation HI05-0745, and attachments CVMC Section 1.41.060 and 1.41.140 and Inspection Report dated August 31, 2005.

Your prompt assistance in addressing this issue will be greatly appreciated. I can be reached at (619) 409-3844.

Sincerely,

Don Johnson AIA  
Senior Code Enforcement Officer

Attachments:

CFC Section 902.2.2.2  
California Civil Code 3479, 3480  
CCR Title 25 Sections  
Notice of Violation, Number HI05-0745, CVMC Sections 1.41.060 and 1.41.140  
Inspection Report dated August 31, 2005  
Fire Department Inspection Report dated 7/30/2004

Cc: Jim Sandoval, Director of Building & Planning  
Brad Remp, Chief Building Official, Assistant Director of Building  
Justin Gipson, Fire Marshal  
Deborah Cave, Deputy City Attorney  
Amy G. Nefouse, Attorney



PLANNING AND BUILDING DEPARTMENT  
BUILDING DEPARTMENT  
276 FOURTH AVENUE CHULA VISTA, CA 91910  
PHONE NO.: (619) 691-5280 FAX NO.: (619) 585-5681

**MOBILE HOME PARK NOTICE OF VIOLATION** First Notice ☒ Final Notice

Notice Date: 10/21/2005 Violation Date(s): 8/31/2005 Case Number: HI05-0745  
Mobile Home Park Name: BRENTWOOD MOBILE HOME PARK  
Space Number / Location: PARKWIDE  
Occupant Name: BRENTWOOD MOBILE HOME PARK  
Owner/Manager/Employee Name & Address: HALL TRUST 03-02-00\*NSNS10/40#FISH LEON H TR\*CON  
P O BOX 3201 YOUNTVILLE CA 94599

You are hereby notified the violations itemized in the enclosed letter dated October 21, 2005, were not corrected within the timeframes required by the Notice of Violation dated August 31, 2005. You are required to correct the items listed in the letter dated October 21, 2005.

In the event you fail to correct the violations itemized in the letter dated October 21, 2005, within the days listed, you will be charged with a misdemeanor, punishable by a fine not exceeding \$400 or by imprisonment not exceeding 30 days, or both, and the City Of Chula Vista may bring a civil action in Superior Court of the County of San Diego per section 18700 of the California Health and Safety Code. You have the right to request a conference per Section 18421.

If you fail to comply with the schedule identified above and within the inspection report, further enforcement action will be taken which may result in the assessment of full cost recovery and/or other related fines or penalties as authorized by CVMC Sec. 1.41.060 which is printed on attachments to this Notice. These charges will include all personnel costs for time spent conducting investigations, enforcement, and remediation or abatement of the violation as described in CVMC Section 1.41.140 which is printed on attachments to this Notice. The City will bill the responsible person(s) for these costs, and if the costs are not paid, the City may seek payment by placing a lien against the property or by assessing the costs in the same manner as municipal taxes.

Contact the City Code Enforcement Officer listed below at (619) 409-3844 if you have any questions concerning this matter.

Don Johnson AIA  
Senior Code Enforcement Officer

(Note: see reverse side of this Notice and attachments)

**PLEASE TAKE THIS NOTICE WITH YOU WHEN APPLYING FOR PERMITS**

Building and planning permits may be applied for at the building counter or planning counter at 276 fourth avenue, Chula Vista CA. Please telephone (619) 691-5272 for general information about getting the required permits and/or (619) 585-5621 for zoning and sign permit information.

18421. If the owner or operator of the mobilehome park or the registered owner of the manufactured home or mobilehome disputes a determination by the enforcement agency regarding the alleged violation, the alleged failure to correct the violation in the required timeframe, or the reasonableness of the deadline for correction specified by the notice of violation, the owner or operator of the mobilehome park or the registered owner of the manufactured home or mobilehome may request an informal conference with the enforcement agency. The informal conference, and any subsequent hearings or appeals of the decision of the enforcement agency, shall be conducted in accordance with procedures prescribed by the department.

**FAILURE TO COMPLY WITH THIS NOTICE OF VIOLATION MAY RESULT IN ANY ONE OR A COMBINATION OF THE FOLLOWING ENFORCEMENT ACTIONS.**

18700. Any person who willfully violates this part, building standards published in the State Building Standards Code relating thereto, or any other rules or regulations adopted by the department pursuant to this part is guilty of a misdemeanor, punishable by a fine not exceeding four hundred dollars (\$400) or by imprisonment not exceeding 30 days, or by both such fine and imprisonment.

Any permitholder who willfully violates this part, building standards published in the State Building Standards Code relating thereto, or any other rules or regulations adopted by the department pursuant to this part, shall be liable for a civil penalty of five hundred dollars (\$500) for each violation or for each day of a continuing violation. The enforcement agency shall institute or maintain an action in the appropriate court to collect any civil penalty arising under this section.

**Title 25 Chapter 2 Subchapter 1 Article 10 1617 Consequences of Failure to Abate.**

(a) It is unlawful for the person ordered to abate a violation to fail to or refuse to remove and abate that violation within the time period allowed in the order after the date of posting of an order on the cited unit, structure, or property or receipt of an order. After the expiration of the time period allowed for an order related to a violation, the enforcement agency has the authority to initiate any appropriate action or proceeding to abate the violation, including but not limited to seeking a court order for abatement by a receiver or other person.

**Title 25 Chapter 2 Subchapter 1 Article 10 1618 Responsibility for Costs**

(a) The registered owner of the unit, or any other cited person or entity that fails to correct a violation within the time allotted in the original correction order, or any extension thereto, shall be held responsible for the costs of abatement of the violation. Costs of abatement, for purposes of this section, may include the enforcement agency's investigative and case preparation costs, court costs and attorney fees, the cost associated with any physical actions taken to abate the violation, and any technical service or other fees due to the enforcement agency related to the abatement activity.

(See attachments for CVMC Section 1.41.060 and 1.41.140).



## PLANNING &amp; BUILDING DEPARTMENT

## INSPECTION REPORT

August 31, 2005

(Note: Strikeouts have been corrected as of October 21, 2005, Italics added October 21, 2005)

1. Throughout the park, the electrical pedestals and panels are in a state of disrepair, are not properly grounded, have parts missing or badly corroded, and are at distances in excess of 4 feet from the mobile home. Due to the lack of maintenance, the circuit may be interrupted to the neutral, causing serious voltage spikes in the homes, damaging appliances and creating a dangerous condition for the occupants.

As a result of the above defects, the electrical system is declared substandard. The electrical system must be replaced to current standards. CCR Title 25 Article 3 Section 1130 (b), Article 10 Section 1605(d)(1).

2. ~~Gas lines and regulators at 13 locations along roadways throughout the park have no, or insufficient, protection from impact. 4" diameter steel bollards 6 feet long, filled with concrete set in 12" min. diameter concrete footings must be installed at each location to provide complete protection (minimum of 2 bollards per location). CCR Title 25 Article 4 Section 1228. This item has been corrected as of October 21, 2005.~~

3. Gas meters, electrical and water connections in carports are unprotected from impact. Bollards must be installed at each exposed utility location. CCR Title 25 Article 3 Section 1178, Article 4 Section 1228, and Article 5 Section 1280.

4. Cabinets and pedestals for telephone and cable television are in a substantial state of disrepair and deterioration, and are declared substandard. New, all weather enclosures must be installed, wiring must be properly contained and all connecting blocks and mechanisms must be properly mounted and protected from weather. CCR Title 25 Article 3 Section 1170.

5. Deteriorated roads and driveways must be patched and re-surfaced. Driveways and yards at mobile homes must be filled and sloped to drain away from home to prevent water accumulation in driveway and under home. Surfacing must conform to Fire Department Standards. CCR Title 25 Article 2 Section 1116 and 2001 California Fire Code Part III Article 9 Section 902 2.2.2.

6. Trash pickup service is insufficient and declared substandard. Frequency of pickup or quantity of containers must be approximately doubled to provide sufficient capacity to keep lids of containers tightly closed and prevent spillage outside of bins between pickup cycles. Curbside service may be a better alternative for residents. CCR Title 25 Article 2 Section 1120

(d), and Article 10 Section 1605(a)(8).

7. ~~Board and Secure abandoned mobile home in space D-41 against entry or remove from park. This home is declared substandard and a public nuisance. Remove illegal additions and storage units. CCR Title 25 Article 10 Section 1606(a)(6), California Civil Code Sections 3479 and 3480. This item has been corrected as of October 21, 2005.~~

8. All items in Fire Department Inspection Report dated 7/30/2004 must be corrected. CCR Title 25 Article 10 Section 1605(h).

9. All cast iron hubs at sewer connections are deteriorated to the point they are no longer able to provide a positive seal, are declared substandard and shall be replaced with new. Entire sewer drain line system is to be inspected by camera for condition, and report submitted to Code Enforcement for review. CCR Title 25 Article 5 Section 1254(b),(c).

The following timeframes to correct Final Notice of Violation HI05-0745 are in effect:

a. Brentwood Mobile Home Park must design, permit, and replace the electrical distribution system to the individual spaces throughout the park and must retain the services of a California Licensed Electrical Engineer to provide design and plans for permit.

b. Brentwood is required to retain the services of a California Licensed Professional Electrical Engineer who shall submit preliminary plans prepared by a California Licensed Professional Engineer to the Building Department within 14 calendar days of the date of Final Notice of Violation, and submit for permit to the City of Chula Vista complete plans for a complete system throughout the park within 14 calendar days of approval of the submitted preliminary plan.

c. Subsequent to approval by the City of Chula Vista, a California Licensed Electrical Contractor shall be hired by Brentwood within 30 calendar days of permit approval, and shall commence work within 45 calendar days of permit approval. Construction shall continue uninterrupted until completion and final inspection approval have been accomplished.

d. 4" diameter steel bollards 6 feet long, filled with concrete must be installed at each of the 13 roadside locations within 30 calendar days from the date of Notice of Violation.

e. Bollards at gas meters, electrical and water connections in all carports must be installed at each exposed utility location within 60 calendar days of the date of this Notice of Violation.

f. Cabinets and pedestals for telephone and cable television must be installed, wiring must be properly contained and all connecting blocks and mechanisms must be properly mounted and protected from weather within 45 days of the date of this Final Notice of Violation.

g. Deteriorated roads and driveways must be patched and re-surfaced, driveways and yards at mobile homes must be filled and sloped to drain away from home within 90 calendar days of completion of installation and final inspection of fire protection system.

h. Trash pickup service frequency of pickup or quantity of containers must be appropriately increased approximately doubled within 14 calendar days of the date of this Notice of Violation.

i. ~~Board and Secure abandoned mobile home in space D-41 against entry or remove~~

CALIFORNIA CODE OF REGULATIONS, TITLE 25 DIVISION 1 CHAPTER 2 (cont)

1280 Where subject to physical damage, all park water service outlets shall be protected by posts, fencing or other barriers approved by the enforcing agency.

1170 (a) All electrical equipment, including switches, circuit breakers, receptacles, lighting fixtures, control equipment, and metering devices located in either damp or wet locations or outside of a unit, accessory building or structure, or a building component designed as a weatherproof structure, shall be constructed of, or installed in, equipment approved for damp or wet locations.

1116 Lot and Park Area Grading. (a) The park area and park roadways shall be so graded that there will be no depressions in which surface water will accumulate and remain for a period of time that would constitute a health and safety violation as determined by the enforcement agency. The ground shall be sloped to provide storm drainage run-off by means of surface or sub-surface drainage facility. (b) Each lot shall be graded to prevent the migration of water to the under floor area of a unit, or accessory building or structure, or building component. Other methods to prevent the migration of water beneath a unit, or accessory building or structure, or building component may be approved by the department as alternatives, in accordance with section 1016 of this chapter.

1120 Rubbish and Accumulation of Waste Material. (d) The park operator shall ensure that a collection system is provided and maintained, with covered containers, for the safe disposal of rubbish.

1254 Lot Drain Inlet (b) Drain inlets shall be provided to accommodate a threaded or clamp-type fitting for connecting drain connectors at proper grade. The drain inlet shall be accessible at ground level. The vertical riser of a drain inlet shall not exceed three (3) inches in height above the concrete supporting slab. Drain inlets shall be gas-tight when not in use. (c) Each drain inlet shall be protected from movement by being encased in a concrete slab not less than three and one-half (3-1/2) inches thick and which surrounds the drain inlet by not less than six (6) inches on any side.

Chula Vista Municipal Code

**1.41.060 Reinspection fees.**

A. Reinspection fees are authorized to recover city costs when excessive time and effort becomes necessary to obtain code compliance. Reinspection fees are an appropriate method to recover costs that are disproportionately attributable to recalcitrant responsible parties.

B. After a notice of violation or an administrative citation is issued, or an order is issued by or under the authority of a director which requires corrective action by a responsible party, that party will be notified that it will be liable for any reinspection fees necessary if the condition remains uncorrected. The first inspection following the issuance of the notice of violation, citation or order is considered part of the normal cost of enforcement and will not be charged if the condition is then promptly corrected. Otherwise, it will be included as part of the costs of enforcement.





PLANNING & BUILDING DEPARTMENT

INSPECTION REPORT

August 31, 2005

(Note: Strikeouts have been corrected as of October 21, 2005, Italics added October 21, 2005)

1. Throughout the park, the electrical pedestals and panels are in a state of disrepair, are not properly grounded, have parts missing or badly corroded, and are at distances in excess of 4 feet from the mobile home. Due to the lack of maintenance, the circuit may be interrupted to the neutral, causing serious voltage spikes in the homes, damaging appliances and creating a dangerous condition for the occupants.

As a result of the above defects, the electrical system is declared substandard. The electrical system must be replaced to current standards. CCR Title 25 Article 3 Section 1130 (b), Article 10 Section 1605(d)(1).

2. ~~Gas lines and regulators at 13 locations along roadways throughout the park have no, or insufficient, protection from impact. 4" diameter steel bollards 6 feet long, filled with concrete set in 12" min. diameter concrete footings must be installed at each location to provide complete protection (minimum of 2 bollards per location). CCR Title 25 Article 4 Section 1228. This item has been corrected as of October 21, 2005.~~

3. Gas meters, electrical and water connections in carports are unprotected from impact. Bollards must be installed at each exposed utility location. CCR Title 25 Article 3 Section 1178, Article 4 Section 1228, and Article 5 Section 1280.

4. Cabinets and pedestals for telephone and cable television are in a substantial state of disrepair and deterioration, and are declared substandard. New, all weather enclosures must be installed, wiring must be properly contained and all connecting blocks and mechanisms must be properly mounted and protected from weather. CCR Title 25 Article 3 Section 1170.

5. Deteriorated roads and driveways must be patched and re-surfaced. Driveways and yards at mobile homes must be filled and sloped to drain away from home to prevent water accumulation in driveway and under home. Surfacing must conform to Fire Department Standards. CCR Title 25 Article 2 Section 1116 and 2001 California Fire Code Part III Article 9 Section 902.2.2.2.

6. Trash pickup service is insufficient and declared substandard. Frequency of pickup or quantity of containers must be approximately doubled to provide sufficient capacity to keep lids of containers tightly closed and prevent spillage outside of bins between pickup cycles. Curbside service may be a better alternative for residents. CCR Title 25 Article 2 Section 1120

(d), and Article 10 Section 1605(a)(8).

7. ~~Board and Secure abandoned mobile home in space D 41 against entry or remove from park. This home is declared substandard and a public nuisance. Remove illegal additions and storage units. CCR Title 25 Article 10 Section 1606(a)(6), California Civil Code Sections 3479 and 3480. This item has been corrected as of October 21, 2005.~~

8. All items in Fire Department Inspection Report dated 7/30/2004 must be corrected. CCR Title 25 Article 10 Section 1605(h).

9. All cast iron hubs at sewer connections are deteriorated to the point they are no longer able to provide a positive seal, are declared substandard and shall be replaced with new. Entire sewer drain line system is to be inspected by camera for condition, and report submitted to Code Enforcement for review. CCR Title 25 Article 5 Section 1254(b),(c).

The following timeframes to correct Final Notice of Violation HI05-0745 are in effect:

a. Brentwood Mobile Home Park must design, permit, and replace the electrical distribution system to the individual spaces throughout the park and must retain the services of a California Licensed Electrical Engineer to provide design and plans for permit.

b. Brentwood is required to retain the services of a California Licensed Professional Electrical Engineer who shall submit preliminary plans prepared by a California Licensed Professional Engineer to the Building Department within 14 calendar days of the date of Final Notice of Violation, and submit for permit to the City of Chula Vista complete plans for a complete system throughout the park within 14 calendar days of approval of the submitted preliminary plan.

c. Subsequent to approval by the City of Chula Vista, a California Licensed Electrical Contractor shall be hired by Brentwood within 30 calendar days of permit approval, and shall commence work within 45 calendar days of permit approval. Construction shall continue uninterrupted until completion and final inspection approval have been accomplished.

d. 4" diameter steel bollards 6 feet long, filled with concrete must be installed at each of the 13 roadside locations within 30 calendar days from the date of Notice of Violation.

e. Bollards at gas meters, electrical and water connections in all carports must be installed at each exposed utility location within 60 calendar days of the date of this Notice of Violation.

f. Cabinets and pedestals for telephone and cable television must be installed, wiring must be properly contained and all connecting blocks and mechanisms must be properly mounted and protected from weather within 45 days of the date of this Final Notice of Violation.

g. Deteriorated roads and driveways must be patched and re-surfaced, driveways and yards at mobile homes must be filled and sloped to drain away from home within 90 calendar days of completion of installation and final inspection of fire protection system.

h. Trash pickup service frequency of pickup or quantity of containers must be appropriately increased ~~approximately doubled~~ within 14 calendar days of the date of this Notice of Violation.

i. ~~Board and Secure abandoned mobile home in space D 41 against entry or remove~~



PLANNING AND BUILDING DEPARTMENT  
BUILDING DEPARTMENT  
276 FOURTH AVENUE CHULA VISTA, CA 91910  
PHONE NO: (619) 691-5280 FAX NO: (619) 585-5681

4707

**MOBILE HOME PARK NOTICE OF VIOLATION** *First Notice* ☒ *Final Notice*

Notice Date 11/02/2005 Violation Date(s): 8/31/2005 Case Number: HI05-0745  
Mobile Home Park Name: BRENTWOOD MOBILE HOME PARK  
Space Number / Location: PARKWIDE  
Occupant Name: BRENTWOOD MOBILE HOME PARK  
Owner/Manager/Employee Name & Address: HALL TRUST 03-02-00\*NSNS10/40#FISH LEON H TR\*CON  
P O BOX 3201 YOUNTVILLE CA 94599

You are hereby notified the violations itemized in the enclosed letter dated October 21, 2005, were not corrected within the timeframes required by the Notice of Violation dated August 31, 2005. You are required to correct the items listed in the letter dated October 21, 2005.

In the event you fail to correct the violations itemized in the letter dated October 21, 2005, within the days listed, you will be charged with a misdemeanor, punishable by a fine not exceeding \$400 or by imprisonment not exceeding 30 days, or both, and the City Of Chula Vista may bring a civil action in Superior Court of the County of San Diego per section 18700 of the California Health and Safety Code. You have the right to request a conference per Section 18421.

If you fail to comply with the schedule identified above and within the inspection report, further enforcement action will be taken which may result in the assessment of full cost recovery and/or other related fines or penalties as authorized by CVMC Sec. 1.41.060 which is printed on attachments to this Notice. These charges will include all personnel costs for time spent conducting investigations, enforcement, and remediation or abatement of the violation as described in CVMC Section 1.41.140 which is printed on attachments to this Notice. The City will bill the responsible person(s) for these costs, and if the costs are not paid, the City may seek payment by placing a lien against the property or by assessing the costs in the same manner as municipal taxes.

Contact the City Code Enforcement Officer listed below at (619) 409-3844 if you have any questions concerning this matter.

Don Johnson AIA  
Senior Code Enforcement Officer

(Note: see reverse side of this Notice and attachments)



PLANNING & BUILDING DEPARTMENT

December 6, 2006

Erik Rollain  
Follett Investment Properties  
11211 Gold Country Blvd  
Suite 100  
Gold River CA 95670

RE: Brentwood Mobile Home Park  
1100 Industrial Blvd.  
Chula Vista, CA

Mr. Rollain,

This letter is to document our recent phone conversation in which you indicated an interest in purchasing the referenced property. As you are aware the City has an ongoing administrative action pending against the park and is actively seeking compliance by means of an Administrative Hearing Order, Full Cost Recovery and Civil Penalties. As of this writing the property is not in compliance and fines are increasing every day. Due to the lack of compliance on the part of the business owner the City is moving forward with enforcement action and has scheduled a follow up Administrative Hearing in an attempt to motivate compliance, recover costs incurred by the City and assess Civil Penalties. The hearing is scheduled for December 21, 2006 here at City Hall. A copy of the Notice of Hearing will be sent under separate cover.

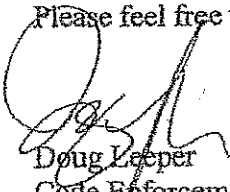
As part of your due diligence you have filed a public records request which is currently being processed. The information you receive from this request should provide a more detailed picture of the conditions in violation at the property. Please note that any purchase of the property and/or business would be subject to ALL previous and current Administrative Hearing Orders, Notices of Violation, Full Cost Recovery and Civil Penalties assessed.

At this time fines and penalties continue to accrue until the property is brought into compliance with the Administrative Order and Chula Vista Municipal Code. In the absence of compliance at the close of escrow the City would be willing to discuss a compliance agreement that would allow a new owner reasonable time to obtain bids and permits, commence and complete all required work. In order for the City to enter into such an agreement we would require that you submit a detailed construction/compliance

plan that would cover the replacement of the park's electrical system AND the installation of a fire protective system (fire hydrants) throughout the park as soon as possible prior to the close of escrow. It is understood that you anticipate escrow to close no later than January 31, 2007.

As to your inquiry regarding the required amperage at each of the existing mobile home spaces the Building Official has determined that we will accept a design as submitted by your engineer in compliance with State codes.

Please feel free to contact me should you have any questions,



Doug Leeper  
Code Enforcement Manager  
City of Chula Vista  
(619) 585-5622



PLANNING & BUILDING DEPARTMENT

December 8, 2006

Brentwood Mobile Home Park  
Attn: Terri Loretz  
1100 Industrial Blvd  
Chula Vista Ca 91910

RE: Notice of Violation Case No. HI05-0745  
Brentwood Mobile Home Park  
1100 Industrial Blvd.  
Chula Vista CA 91910

Dear Ms. Loretz:

This letter is to inform you of the revision of assessment of civil penalties, in the amount of \$500 per day now commencing November 2, 2005, and continuing until abatement of all violations referenced in Notice of Violation HI05-0745.

Civil Penalties are being re-assessed due to the failure to pursue work as relates to Notice of Violation HI06-0745. No permit is now in effect, due to expiration of permit number B06-0308, essentially placing Brentwood in non-compliance as of November 2, 2005.

You are required to abate the violations referenced in Notice of Violation HI05-0745 or you will be subject to additional fines, penalties and further enforcement action. You are required to remit payment in the amount of \$200,500.00 to the City Of Chula Vista within 30 days of the date of this notice. Civil Penalties will continue to accrue at a rate of \$500 per day until abatement of all violations referenced in Notice of Violation HI05-0745.

In the event you require additional information, please do not hesitate to call me at (619) 409-3844.

Sincerely,



Don Johnson AIA  
Senior Code Enforcement Officer

Cc: Hall Trust  
DLA Piper Rudnick Gray Cary  
Fitzimmons & Associates  
Chicago Title  
Follett Investment properties



## FOLLETT INVESTMENT PROPERTIES, INC.

---

December 13, 2006

Doug Leeper  
City of Chula Vista  
276 Fourth Avenue, MS B-200  
Chula Vista, CA 91910

*Re: Brentwood MHP -- Construction Timeline*

Dear Doug:

Per our prior conversations, we are interested in purchasing Brentwood MHP and understand that in the absence of the park being in compliance at close of escrow (COE) (Estimated to be January 29, 2007) with the Administrative Order and Chula Vista Municipal Code, the City would be willing to discuss a compliance agreement that would allow a new owner reasonable time to obtain bids and permits and commence and complete all required work. As the new owner, we propose the following timeline:

### Fire Hydrant Installation

1. 30 days from COE to obtain three (3) bids from California licensed contractors based on the approved plans dated October 5, 2006;
2. 60 days from COE to hire a contractor;
3. 90 days from COE to commence work and
4. 180 days from COE to complete work.

### Electrical System Installation

1. 30 days from COE to submit for permit to the City of Chula Vista complete plans for work to be performed in order to bring electrical into code compliance;
2. Subsequent to plan check approval by the City of Chula Vista, Follett shall be provided 30 days to hire a contractor;
3. 45 days from plan check approval to commence work and
4. 12 months or sooner to complete work due to the fact that work will be conducted in phases in coordination with the tenants regarding trench path area and tenant inconvenience.



January 4, 2007

PLANNING & BUILDING DEPARTMENT

RECEIVED  
JAN 10 2007

Erik Rollain  
Follett Investment Properties  
11211 Gold Country Blvd  
Suite 100  
Gold River CA 95670

RE: Brentwood Mobile Home Park  
1100 Industrial Blvd.  
Chula Vista, CA

Mr. Rollain,

Thank you for attending the administrative hearing of December 22<sup>nd</sup>. I believe you may now have a better understand of the City's position regarding the violations at Brentwood Mobile Home Park. You may not yet be aware that the Administrative Hearing Officer has ordered that the Notice of Violations be recorded with the County Recorder's Office. I don't believe this will have any negative impact on your purchase, as you are currently aware of the uncorrected violations at the location.

As I explained in my original correspondence on December 6, 2006, in the absence of abatement of the violations at the close of escrow the City would be willing to discuss a compliance agreement that would allow a new owner reasonable time to obtain bids and permits, commence and complete all required work. In order for the City to enter into such an agreement we would require that you submit a detailed construction/ compliance plan that would cover the replacement of the park's electrical system AND the installation of a fire protective system (fire hydrants) throughout the park as soon as possible prior to the close of escrow. It is understood that you anticipate escrow to close no later than January 31, 2007.

The information provided in your letter of December 13, 2006 appears reasonable on the surface however you must keep in mind that the fire hydrant installation is a requirement of the Administrative Hearing Officer and any adjustments to that order will have to be approved/ordered by him. That includes the imposition of any fines and/or penalties. Given your experience and good faith efforts to date I can assure you that staff would support reasonable accommodation to complete the work required to bring the property into compliance.





RECEIVED  
FEB 26 2007

PLANNING & BUILDING DEPARTMENT

Erik M. Rollain  
Senior Vice President / Director of Acquisitions  
Follett Investment Properties, Inc.  
11211 Gold Country Blvd, Suite 100  
Gold River, CA 95670  
(916) 852-0112 Phone  
(916) 852-0115 Fax

RE: Violations at Brentwood Mobile Home Park

February 23, 2007

Dear Mr. Rollain,

This letter is to serve as confirmation of our conversation on today's date. As I stated, the City of Chula Vista has accepted your proposed time frames (copy attached) regarding the repairs required at the listed property. It is understood and agreed that all listed time frames are from the close of escrow. As long as you remain within these time frames, you will not incur additional fines or penalties after the close of escrow. It is my understanding that you have advanced monies into your deposit account for repairs that have already begun. I wish to thank you for your good faith efforts to bring the property into compliance.

The Recordation of the Notice of Violation must remain in place until all fines, fees and penalties have been paid and the violations corrected and approved by the city. It is my understanding that the current fines and penalties are to be paid upon close of escrow. That being said, I understand that your lender may be hesitant to fund with such a recordation in place. If that is the case may I offer this solution? Upon signed agreement with your company, the land holder and the City, I will release the Recordation of the Notice of Violation to allow the transfer of title at which time the Notice of Violation will be re-recorded and remain in place until the violations have been corrected. This should allow all parties involved coverage for their particular issues. The recordation will be released upon completion of the repairs.

You had also inquired about the possibility of reconfiguring the existing spaces at the North end of the park to accommodate larger homes. So long as no tenants are affected by the adjustment of the lot lines and the number of spaces listed on your permit to operate remains unchanged, you are free to do so. In the event there is a tenant whose lot



San Diego Gas & Electric Company  
San Diego, California

Revised Cal. P.U.C. Sheet No.

19382-E

Cancelling Revised Cal. P.U.C. Sheet No.

19263-E

Sheet 5

# SCHEDULE DT

## SUBMETERED MULTI-FAMILY SERVICE - MOBILE HOME PARK

### SPECIAL CONDITIONS (Continued)

#### 9. Condition for Receiving Submeter Rate Discount

- a. The master-meter/submeter rate discount provided herein prohibits further recovery by mobile home park owners for the costs of owning, operating, and maintaining their gas/electric submetered system. This prohibition also includes the cost of the replacement of the submetered gas/electric system. The costs recovered by the mobile home park owner through the submetering discount must be consistent with those costs that the utility incurs when providing new or replacement service under the utility's line extension Rule 15 and service extension Rule 16.
- b. This language was authorized by Ordering Paragraph 4 of Decision 95-02-090, dated February 22, 1995, and Ordering Paragraph 1 of Decision 02-09-034, dated September 19, 2002. The master-meter/submeter rate discount provided herein requires that master-meter customers who receive any rebate to distribute to, or credit to the account of each current sub-metered customer served by the master-meter customer that portion of the rebate that the amount of gas or electricity, or both, consumed by the sub-metered customer bears to the total amount of the rebate. See Public Utilities Code Section 739.5(b).

In the event a sub-meter customer (park resident) believes that a master-meter customer (park owner) has not distributed the rebate to no less than two park residents in accordance with the Public Utilities Section Code 739.5(b), the sub-metered customer may notify the master-meter customer in writing. If the master-meter customer has not corrected the problem within 30 days of receipt of the notification, the sub-metered customer may file an expedited complaint pursuant to Rule 13.2. All complaints filed under Rule 13.2 requesting the rebate shall be consolidated for purposes of the Commission's order.

If, after hearing, it is found that the master-meter customer did not distribute the rebate as required to no less than two park residents, the Commission, as part of its order, shall assess a penalty, payable to the complaining sub-metered customer(s), to be apportioned equally among the complaining sub-metered customer(s), equal to the full amount of the rebate that should have been distributed to all park residents. In addition, the master-metered customer will be ordered to tender the rebate to any other sub-metered customer that has not received payment in accordance with Public Utilities Commission Section 739.5(b).

In no event shall SDG&E be responsible to the master-meter customer or submeter customer for calculation of or return of the rebate referred to herein.

(Continued)

5C31

Advice Ltr. No. 1817-E

Decision No.

Issued by

Lee Schavrien

Vice President  
Regulatory Affairs

Date Filed

Aug 2, 2006

Effective

Sep 1, 2006

Resolution No.



Southern California Edison  
Rosemead, California (U 338-E)

Revised Cal. PUC Sheet No. 34735-E\*  
Cancelling Revised Cal. PUC Sheet No. 33650-E\*  
34499-E\*, 23741-

Schedule DMS-2  
DOMESTIC SERVICE

Sheet 3

MOBILEHOME PARK MULTIFAMILY ACCOMMODATION - SUBMETERED

(Continued)

SPECIAL CONDITIONS (Continued)

6. CARE Rate Assistance:
- a. Customers receiving service under this Schedule shall comply with the provisions of Public Utilities Code Section 739.5 in providing service to their submetered tenants. This includes, among other things, providing electric service to CARE tenants under the provisions of Schedule D-CARE of SCE's tariffs. (T)
  - b. Customers served under this Schedule shall provide application and declaration forms for the CARE rate to their submetered residential tenants. The completed application forms of eligible CARE tenants shall be mailed by the tenant to SCE. (T)
  - c. When SCE receives an application from a qualifying CARE submetered tenant, the information will be forwarded to SCE's customer receiving service under this Schedule. (T)
  - d. The proration of the DMS-2 customer's bill by SCE under the provisions of the Energy Charge shall commence no later than one billing period after receipt and approval by SCE of a qualifying tenant's application. (T)
  - e. It is the responsibility of the DMS-2 customer to notify SCE immediately of the date each CARE tenant is no longer receiving service from the DMS-2 customer. In addition, if the DMS-2 customer has good reason to suspect that a tenant is not eligible, the DMS-2 customer shall notify SCE. (T)
7. Failure of a DMS-2 customer to abide by SCE's tariffs may result in rebilling or discontinuance of service in accordance with SCE's tariffs. The DMS-2 customer's account may also be rebilled consistent with Rule 17. (T)
8. Condition for Receiving Submeter Rate Discount: The submetering discount provided herein prohibits further recovery by mobile home park owners for the costs of owning, operating, and maintaining their electric submetered system. This prohibition also includes the cost of the replacement of the electric submetered system. (T)

This language was authorized by Ordering Paragraph 4 of Decision 95-02-090, dated February 22, 1995.

(D)

(Continued)

(To be inserted by utility)

Advice 1724-E

Decision 03-07-029

30290

Issued by  
John R. Fielder  
Senior Vice President

(To be inserted by Cal. PUC)

Date Filed Jul 23, 2003

Effective Sep 1, 2003

Resolution \_\_\_\_\_

**7. How Much Will Brentwood MHP Recover of Its Capital Investment Costs through the SDG&E Master Meter Discount?**

SDG&E calculated the master meter discount (or submeter credit) using the "marginal customer cost" (MCC) methodology consistent with CPUC D.04-11-003, Order Number 7. SDG&E made that calculation in its 2005 Rate Design Window filing (A.05-02-019). The CPUC adopted SDG&E's proposed master meter discount of \$0.272 per space per day for Schedule DT in D.05-12-003. The Capital Investment Cost component of the master meter discount, consistent with CPUC D.04-04-043, is \$362.14 per space. Thus, the total Capital Investment Cost to be recovered through the master meter discount is \$93,432.76. This amount is to be excluded from rent, per CPUC D.04-04-043.

**Conclusions**

**8. What Are the Specific Components of Electric Utility Service Not Recovered in the Submeter Credit Which Are Included in the Brentwood Application?**

Since the (1) the electricity system was reinforced per the definition in SDG&E's Rule 16, and (2) the streetlights are part of the park's common area, the total Capital Investment Cost for utility system is eligible to be recovered through rents. No other utility systems were installed or replaced simultaneously; therefore, the trenching costs need not be allocated among different utility services per CPUC D.04-05-056. The submeter credit of \$93,432.76 is credited against the total cost of \$1,461,172.01. The remaining Capital Investment Cost can be recovered through rents. The total allowed, without any interest or "return on investment, [and] taxes related to capital investment (including property taxes)," is \$1,367,739.25.

**9. What Are Your Conclusions about the Brentwood Capital Improvement Rent Application?**

The Brentwood application for a Capital Improvement rent increase is consistent with CPUC policies and decisions that implement PUC §739.5, including D.04-04-043, D.04-05-056, D.04-11-033, and D.05-12-003. The application includes only those costs which are definitively outside of SDG&E's responsibility, and as such, are not included in the submeter system when calculating the submeter credits in Schedules DT for SDG&E. Based on this analysis, the Capital Improvement rent request should include \$1,367,739.25 in electric service costs.

**10. Final Declaration**

I could and would competently testify to the foregoing facts and conclusions herein from my own personal knowledge and/or expertise. I have been paid at my normal professional hourly rate of \$200 per hour to review the application submitted by Brentwood Mobile Home Park and \$300 per hour to present this declaration explaining how the submeter credit is developed and implemented by the CPUC, and the serving public utility, SDG&E.



HART, KING & GOLDREN

Stacey S. Kurz, Senior Project Coordinator  
City of Chula Vista  
June 4, 2010  
Page 4

maintain." That litigation was eventually settled. The residents received an overall settlement of substantial dollars from the former owner and/or the former owner's insurance carriers to resolve that litigation.

The entirety of the Park owner's rent increase request is based upon recovery of actual funds that have been expended (after close of escrow) for the benefit of the Park. All of those improvements clearly and directly also benefit the residents. To the extent a resident would opine, as one or two did at the last public hearing, that a completely upgraded electrical system (from 30 amp to 100 amp) was unneeded or that the prior system should have simply been "repaired" is remarkably disingenuous. The entirety of the prior electrical system needed to be completely replaced. To replace such a system with an "identical" outdated and insufficient amperage system would have been both short sighted and inappropriate. The reality would have been "brownouts" as mobilehomes in the Park are exchanged for newer mobilehomes over time and the electricity demands for mobilehomes continue to increase.

At the hearing on May 16, 2010, a number of speakers raised the issue of where or how the City of Chula Vista had spent funds, received by virtue of fines imposed against the prior owner. While that may be a legitimate political inquiry, it has absolutely no bearing or relevance on whether the subject rent increase application is appropriate. The City's internal accountings and budgeting of how general funds are expended is an issue for mobilehome park residents and other citizens of Chula Vista to bring before the City Council. This Rent Review Commission is not the appropriate forum to assert that monies that may or may not have been received by the City from the prior owner should have been allocated for some specific public purpose (such as hearings about rent increase applications).

The purchase of the ground lease by the new Park owner, and the extensive capital investment thereafter, is precisely what a validly enacted rent control ordinance is constitutionally required to encourage and protect. The prior Park operator operated a facility that engendered a failure to maintain lawsuit and substantial interaction with the City concerning Title 25 violations. There is no dispute the funds at issue in the Park's application have been expended and that the Park has been dramatically improved. The final improvements will be finished by the end of 2010. The requested rent increase is simply a return of the new capital expense over forty (40) years, with a conservative nine percent rate of return. That is precisely the result a constitutionally applied rent control ordinance is designed to encourage. That fact is noted by staff in its report recommending that the requested rent increase be granted.

There is also no dispute but that the proposed new rent levels, even including the requested rent increase, are still below market rent for Chula Vista and surrounding area.

The crux of the opposition by residents is that the majority of the capital expense at issue should be deemed to be an operating expense or maintenance cost that could and potentially be disregarded under Section 9.50.073(A)(1)(g)(v). However, that aspect of the City's rent control ordinance cannot and should not be applied in a fashion that would be contrary to required constitutional law and in a fashion that would be contrary to providing the new owner a just and

2/2/06

CITY OF CHULA VISTA  
DRAFT MINUTES  
MOBILEHOME RENT REVIEW COMMISSION

**DRAFT**

Thursday, August 21, 2006  
6:30 p.m.

COUNCIL CHAMBERS  
CITY HALL (4<sup>th</sup> & F St)

CALL TO ORDER/ROLL CALL – 6:32 P.M.

**PRESENT:** Thomas Teagle, Pat LaPierre, Jerrold Siegel, Cesar Padilla, Steve Epstein, Rosa Maria Robles, Joanne D. Clayton

**STAFF:** Stacey Kurz, Sr Comm Dev Specialist  
Jill Maland, Attorney  
Palmira Montiel, Sr Secretary

**CONSULTANT:** Kenneth Baar, Ph.D.

**1. APPROVAL OF MINUTES**

April 20, 2006 Member Padilla made a motion to approve the minutes as written. Member Siegel second the motion. Member Robles abstained from voting. All other members agreed to approve the motion.

**2. BRENTWOOD MOBILEHOME PARK**

Proposed rent increases for twenty three spaces for September, October and November. Staff Kurz requested commission to authorize the hiring of a consultant to obtain additional information related to the analysis of the rate of return earned by the park owner as determined by a fair market appraisal for the twenty three spaces and to continue the hearing pending completion and review of the requested analysis. It was also requested by Staff Kurz to authorize Community Development Director to include additional spaces in the analysis as request for hearing forms are submitted.

*Member Robles made a motion to hire a third party consultant to conduct the appraisal for the Brentwood Mobilehome Park and to include additional spaces in the analysis as Community Development receives them. Member Padilla second the motion. All Members voted to approve the motion unanimously.*

**3. BAYSCENE MOBILEHOME PARK**

Chair Teagle apologized for the delay in reaching a decision on this case, but felt there was a need to obtain additional information through the analysis for a fair decision.

Staff Kurz stated 20 spaces were included in the analysis conducted by consultant Ken Baar, Ph.D. The analysis was conducted for the Bayscene Mobilehome Park. Mr. Baar explained that some of the expenses presented by Bayscene were not appropriate and could not be included in the return because they were a one-time cost or should be amortized because they don't occur annually. Mr. Baar reviewed the analysis as it pertained to the factors which the commission is to consider and summarized his findings.

Chair Teagle gave the affected tenants an opportunity to speak.

Space 60 - Mrs. Ruiz stated her space rent on the Staff Report was incorrect at \$498.52. She has been billed \$516.96 as of June. Chair Teagle asked Staff Kurz to review this incident. Mr. Ruiz asked why a rent increase was allowed if the park had safety violations. Staff Kurz stated the violations that were found in the park were corrected prior to the November 2005 hearing. Mr. Ruiz also asked why a 10% increase was allowed in 2005 and now only the CPI is being recommended.

## Appendix A

Excerpt from

Rainbow Disposal Co. v. Mobilehome Park Rental Review Board [Escondido]  
(64 Cal.App.4th 1159, 75 Cal.Rptr. 2d. 746 (1998) California Court of Appeal)

### II. Exclusion of Utility Improvement Costs From Capital Expenses

Rainbow's main contention in this appeal is that the Board erred by excluding \$223,847 Rainbow spent to improve the park's gas and electric utility systems from consideration as capital improvement costs.

#### A. PUC Ruling

The Board ultimately accepted Baar's analysis and conclusion regarding an appropriate rent increase for capital improvements. Baar excluded gas and electric improvements from consideration as capital improvements based on a published decision of the Public Utilities Commission (PUC) entitled *Re Rates, Charges, and Practices of Electric and Gas Utilities Providing Services to Master-metered Mobile Home Parks* (1995) 58 Cal.P.U.C.2d 709 (Rates, Charges, and Practices).

In *Rates, Charges, and Practices* the PUC explained: "Most mobile home park owners take gas and electric service through a master-meter. The park owners, in turn, submeter service to their tenants. To at least partially cover the cost of submetering, the serving utility's master-meter rate schedules provide a submetering discount to the park owners.

"[Public Utilities Code section] 739.5 regulates the rates that master-metered mobile home parks with submetered utility systems may charge their tenants. This code section requires master-metered mobile home parks to charge tenants at the same rate the utility would charge the tenants for direct service. The discount is intended to cover the 'average costs' of park owners to provide submetered service, but is not to exceed the 'average cost' of the serving utility to provide comparable service to tenants directly served by the utility. The park owner must maintain and, as necessary, replace the distribution system beyond the master-meter. In addition, the park owner must maintain and read the submeters and provide each submeter customer with an itemized billing similar in form and content to bills provided by the public utility. Basically, within the mobile home park, the park owner performs the functions (except some emergency and safety functions) of the public utility." (*Rates, Charges, and Practices*, supra, 58 Cal.P.U.C.2d at p. 710, fns. omitted.)

The PUC concluded master-metered park owners are barred from recovering the costs of improving their gas and electric systems through rent increases because Public Utilities Code [fn omitted] section 739.5 expressly limits their recovery of such costs to the amount derived from the submetering discount. (*Rates, Charges, and Practices*, supra, 58 Cal.P.U.C.2d at p. 717.) The PUC focused on the language in section 739.5, subdivision (a), stating that "the master-meter customer shall charge each user of the service at the same rate which would be applicable if the user were receiving gas or electricity, or both, directly from the gas or electric corporation." (*Rates, Charges, and Practices*, supra, at pp. 717-718, quoting § 739.5, subd. (a), original italics.) The PUC further noted section 739.5, subdivision (a) caps the submeter discount "at a level which will provide a sufficient differential to cover the reasonable average costs to master-meter customers of providing submeter service, except that these costs shall not exceed the average costs that the corporation would have incurred in providing comparable services directly to the users of the service." (*Rates, Charges, and Practices*, supra, at p. 718, quoting § 739.5, subd. (a), original italics.)

The PUC concluded: "The plain language of the statute allows (1) for recovery of master-meter costs only up to the average cost that the utility would have incurred were it to provide service to the master-meter customer, and (2) that the master-meter customer charge each user of the service at the same rate that user would pay were he a direct utility customer." (Rates, Charges, and Practices, supra, 58 Cal.P.U.C.2d at p. 718.) Consequently, "tenants of master-metered parks shall not be subject to utility cost rent surcharges for ongoing utility system repair and replacement. Master-meter customers are compensated in the manner and to the extent directed by [section] 739.5[, subdivision] (a), which provides a reasonably accessible means to obtain a return on property. There is no need to establish a procedure for individual parks to obtain rate increases to offset reasonably incurred uncompensated system replacement costs . . . ." (Ibid.)

In short, if submetered mobilehome tenants were required to pay the cost of maintaining and improving gas and electric systems through rent increases in addition to paying the park owner the same rate that would apply if they were receiving gas and electricity directly from a gas or electric company, they would effectively be paying more for gas and electricity than directly metered customers in contravention of section 739.5. For that reason the PUC in Rates, Charges, and Practices prohibited park owners from recovering the cost of maintaining and improving gas and electric systems from submetered tenants through rent increases.

#### B. Applicability of the PUC Ruling

Rainbow contends Rates, Charges, and Practices does not apply to a park subject to a rent control ordinance. There are only two statements in Rates, Charges, and Practices that could possibly be interpreted as excluding rent-controlled parks from its ruling. First, after noting its "complete jurisdiction over utility rates, including the mobile home park discount . . . [and its] responsibility for adjudicating complaints that allege violation of [section 739.5's] requirement that the 'the master-meter customer shall charge each user of the service at the same rate which would be applicable if the user were receiving gas or electricity, or both, directly from the gas or electric corporation[.]'" the PUC stated: "However, we fully accept and embrace the fact that the [PUC] has no 'rent control' jurisdiction over mobile home parks and park owners." (Rates, Charges, and Practices, supra, 58 Cal.P.U.C.2d at p. 718.)

We agree with the Board's suggestion that in making that reference to rent control, the PUC was merely acknowledging its task is to control utility rates, not rent. Accordingly, its prohibition against recovering gas and electricity costs from submetered tenants through rent surcharges should not be construed as rent control but rather as utility-rate control.

That the PUC lacks rent control jurisdiction does not mean rent control boards are free to ignore its rulings concerning utility rates. The rationale of Rates, Charges, and Practices applies to rent-controlled parks as much as to parks that are not subject to rent control. Section 739.5, subdivision (a), as interpreted by the PUC, precludes master-metered park owners from recovering the costs of repair and maintenance of gas and electric systems through rent whether such surcharges are unilaterally imposed by a park owner or authorized by a rent control board. There is no language in the statute that suggests it does not apply to parks subject to rent control. If the PUC was of the opinion that section 739.5, subdivision (a), was inapplicable to rent-controlled parks, it presumably would have made that clear in Rates, Charges, and Practices.[fn omitted]



The other reference to rent control in Rates, Charges, and Practices followed the PUC's statement that park owners who are "aggrieved by [section 739.5] have every right to seek legislative amendment to authorize the recovery of additional charges by mobilehome park operators." (Rates, Charges, and Practices, *supra*, 58 Cal.P.U.C.2d at p. 718.) The PUC added: "As to mobilehome parks subject to rent control ordinances, those owners may seek amendments to the applicable ordinances to authorize specific types of infrastructure improvements necessary to preserve the quality of utility service to their mobilehome tenants." (*Id.* at pp. 718-719.) To the extent this statement suggests local ordinances can override the PUC's proscription against recovering utility maintenance and improvement costs through rent increases, it is incorrect, as an order of the PUC controls over a local ordinance where the two conflict. (Orange County Air Pollution Control Dist. v. Public Util. Com. (1971) 4 Cal.3d 945, 950.)<sup>[fn omitted]</sup> The PUC's reference to seeking amendment of the "applicable ordinances" is ambiguous dictum which has no effect on the essential ruling and rationale of Rates, Charges, and Practices.<sup>[fn omitted]</sup>

The Board correctly viewed Rates, Charges, and Practices as precluding Rainbow's recovery of its expenditures on gas and electric improvements through a rent increase. Even if section 739.5 and Rates, Charges, and Practices were inapplicable to rent-controlled parks, the Board still had the discretion to apply the reasoning of Rates, Charges, and Practices and limit Rainbow's recovery of utility improvement costs to the income it obtained through its submeter discount.

#### C. Constitutionality of PUC Ruling

Rainbow contends the PUC's decision in Rates, Charges, and Practices is unconstitutional because it may operate in a confiscatory fashion. However, we are not at liberty to review the constitutionality of Rates, Charges, and Practices. Only the California Supreme Court has jurisdiction to review orders of the PUC issued before January 1, 1998. (§ 1759;<sup>[fn omitted]</sup> *Barnett v. Delta Lines, Inc.* (1982) 137 Cal.App.3d 674, 681; *Hickey v. Robey* (1969) 273 Cal.App.2d 752, 763.)

Certain mobilehome park owners filed applications for rehearing in Rates, Charges, and Practices, arguing, among other things, that the PUC's ruling infringed their right to contract and resulted in an unlawful taking. (*Re Rates, Charges, and Practices of Electric and Gas Utilities Providing Services to Master-metered Mobile Home Parks* (1995) 61 Cal.P.U.C.2d 225, 2226-227.) The PUC rejected these constitutional challenges and denied the applications for rehearing. (*Id.* at 227-232.) The park owners then sought review by the California Supreme Court. The Supreme Court denied review on October 6, 1996 (S048893) sub nom. *Western Mobilehome Parkowners Assn. v. Public Utilities Commission*. Consequently, we are bound by the PUC's interpretation of section 739.5 in Rates, Charges, and Practices. (*Hickey v. Robey*, *supra*, 273 Cal.App.2d at p. 763-764 ["Though an order of the [PUC] be palpably erroneous in point of law, until it is annulled by the Supreme Court, it is binding on all the courts of this state. [Citations.]"])

The applicant submitted the expense statement of the prior owner which indicated that the annual interest expense was \$295,852.65 in 2003. The applicant assumed this mortgage upon purchasing the property. Therefore, there has been no increase in mortgage expenses as a result of the purchase of the property.

#### d. Utility Costs

In the Bayscene Mobile Home Park, utility costs are either passed through to the residents by the park owner or are directly billed by the utility. The applicants have indicated that they are not claiming utility expenses.<sup>9</sup> Even if gas and electricity expenses were claimed, gas and electricity expenses associated with the provision of submetered service could not be considered because regulation of gas and electricity income is preempted by state law which provides for regulation by the California Public Utilities Commission (PUC).<sup>10</sup>

In addition to paying charges of utility providers, the park has incurred substantial expenditures related to maintaining its gas and electricity infrastructure. The application notes that: "owner has contracted a complete electrical upgrade, including underground wiring and main panels: Approximate cost \$452,720. Payments to date: \$228,146.95."<sup>11</sup>

However, expenses related to the provision and maintenance of the gas and electric infrastructure are covered by the gas and electricity rates authorized by the PUC and, therefore, cannot be considered in a proceeding to determine allowable rents under a mobilehome park space rent control ordinance. The PUC and the Court of Appeal have noted that these rates are designed to take into account the costs to a park owner of maintaining gas and electric service. (In light of the magnitude of the applicants planned expenditure for upgrading the submetered electric service, the guiding judicial precedent regarding the treatment of utility expenses contained within Rainbow Disposal Co. v. Mobilehome Park Rental Review Board [Escondido] is set forth in Appendix A of this report.)

#### e. Capital Improvements or Rehabilitation Work & g. Other Operating and Maintenance costs

These factors - capital improvements, rehabilitation work, and other operating and maintenance costs - are considered together because they are overlapping and there is no clear line distinguishing these types of costs.

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<sup>9</sup> Letter from Baldwin Pacific Group (Shirley C. Alvarez) to City of Chula Vista (Stacey Kurz), March 16, 2006.

<sup>10</sup> See Rainbow Disposal Co., Inc. v. Mobilehome Park Rental Review Board, 64 Cal.App.4th 1159, 75 Cal.Rptr. 2d 746 (1998) California Court of Appeal.

<sup>11</sup> Application, amended Feb. 20, 2006, item 5.b.



California Public  
Utilities Commission

CPUC Home

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MAILED 03/19/03

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking on the Commission's Own Motion  
to re-examine the underlying issues involved in the submetering  
discount for mobile home parks and to stay D.01-08-040.

FILED

PUBLIC UTILITIES COMMISSION

March 13, 2003

SAN FRANCISCO OFFICE

Rulemaking 03-03-017

Order Instituting Investigation on the Commission's Own Motion  
to re-examine the underlying issues involved in the submetering  
discount for mobile home parks and to stay D.01-08-040.

FILED

PUBLIC UTILITIES COMMISSION

March 13, 2003

SAN FRANCISCO OFFICE

Investigation 03-03-018

Robert Hambly, for Himself and, On Behalf of the Residents of  
Los Robles Mobilehome Park,

Complainant,

vs.

Hillsboro Properties, a California Limited Partnership, and the  
City of Novato,

Defendants.

Case No. 00-01-017

(Filed January 14, 2000)

**ORDER INSTITUTING RULEMAKING AND INVESTIGATION**

**I. Summary**

This Order opens a Rulemaking (OIR) and an Investigation (OI) on the Commission's own motion to re-examine the unresolved issues involved in the master meter discount for submetered mobile home parks (MHPs), and to stay Decision (D.) 01-08-040, which was issued in a recent complaint case. We consolidate the complaint case with this OIR/OIR. This OIR/OIR will explore setting a uniform statewide rate structure and method to calculate the master meter discount. In Phase 1 we will examine whether additional cost components exist. The Commission previously deferred this review to utility general rate cases (GRCs). In Phase 2, which we anticipate will include testimony and hearings, we will determine whether to adopt a statewide master meter discount and if so, the amount of the discount applicable to all jurisdictional utilities. We will also explore mechanisms to ensure any refunds to tenants are appropriately made.

Utilities added the following tariff language pursuant to Ordering Paragraph 4. of D.95-02-090:

"Condition for Receiving Submeter Rate Discount

*The master-meter / submeter rate discount provided herein prohibits further recovery by mobile home park owners for the costs of owning, operating, and, maintaining the gas / electric submetered system. This prohibition also includes the cost of the replacement of the submetered gas / electric system."*

Rehearing was denied in D.95-08-056.

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ATTACHMENT 4



PO Box 6064, Chula Vista, CA 91909, (619) 425-5771

Mobile Home Rent Review Commission:

The SWCVCA would like to express its opinion in regard to the Brentwood Mobile Home Park proposed rent increase. Looking at the materials provided by the city it appears to us that the amount being requested is not in conformance with our rent control ordinance. We would like to remind the members of the commission that you have great discretion in interpretation of this ordinance. Also at the last meeting there was a reference to any rent increase being retroactive. Since the notice sent to residents clearly says that the proposed rent increase would be effective on August 1, 2010 this makes no sense to us.

While new mobile home spaces apparently are not covered by rent control the income provided to the owners must be included in reasonably expected future income. There will be 11 new spaces including the two new spaces that tearing down the old laundry rooms will provide. The new site additions are clearly a moneymaking effort on the part of the owners and not an expense that should be charged to the residents. The expense of tearing them down is not a benefit to the residents but the owners. The construction of the new laundry room is required because the old ones are being torn down to increase the income of the owners. These are expenses that should not be passed on to the residents either. This is an increase in revenue of \$7,425 a month or \$89,100 per year. This income must be included in the total expected income of the park. It should also be included in averaging of the rents in the park.

The residents of Brentwood were forced to live under conditions that included serious health and safety code violations from 2003 until now. As far as the expenses to be passed on to the residents clearly health and safety repairs are the responsibility of the owners as well as actions taken to clear up code violations. The replacement of the electrical system and the fire hydrants clearly fall into these categories. The fire that occurred a week after the hydrants were installed proves the necessity of this installation to maintain health and safety in the park. The condition of the electrical system before its replacement was totally unsatisfactory and had been an ongoing code enforcement problem. The amount of money the owners have been receiving for 53 years and will continue to receive into the future from SDGE was clearly meant to be used specifically for this purpose. It is not the fault of the residents that the previous owners did not keep this sum in an account for this purpose. It is irrelevant whether the PUC decides to comment on this or not. Our Commissioners get to decide. (This fact was well known to the new owners prior to purchasing the park, as well as the fact that they would need to bring the electrical system up to current code and provide fire hydrants. If they are adequate businessmen this should have been a factor in negotiating the price that they paid.)

The road repairs are routine maintenance expenses, which are already a part of the rental fee charged. The new site additions are clearly a moneymaking effort on the part of

the owners and not an expense that should be charged to the residents. Hotels, air Travel, and education are not the responsibility of residents either.

Paying \$400,000 to get an extension of the ground lease was a business decision of the park owners and should not be the responsibility of the park residents. Our code specifically says costs of refinancing should not be passed on. Well renegotiating a ground lease is equivalent to refinancing a property if the land were owned and not leased. The difference in the price of the new ground lease as compared to the old may be considered an expense that could be passed on because rather than a one time maintenance expense it is an ongoing necessary expense, but the one time fee should not be.

The ordinary wear and tear on the club house, pool and spa requiring painting, roof repair and replacing of windows and doors is again an ongoing maintenance expense which was made worse because the previous owner deferred maintenance for many years. The new owners were 100% aware of the condition of the park when they took over. They knew what would have to be done to just bring the park up to an acceptable level. It was their responsibility to make sure these expenses were considered in the initial purchase price and any monthly fee they pay for the land lease. These are not expenses properly passed on to the residents. They are routine maintenance to avoid health and safety problems.

Remodeling of the park office and computers are all for the convenience of the owner and manager and not expenses that should be passed on to residents.

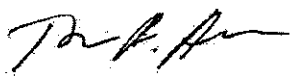
Repairing the city storm drain line is an ongoing regular maintenance issue, which should not be passed on to residents. Our understanding is that the residents are responsible for all repairs on the lots they rent in which case it is odd the owners are proposing to resurface all driveways since it would seem this should be the responsibility of each mobile home owner not the park owner, no?

The owner is not upgrading the park but merely bringing it up to acceptable standards since it was below standard for many years. Statewide a raise in rent of \$100 is considered to lower the value of mobile homes by at least \$10,000. In this economy the values are already depressed and any increase will likely devalue them more.

The expenses of acquiring the park are not expenses that should be passed on to the residents. Bringing the park up to acceptable standards are all expenses of acquiring a park that was in unsatisfactory condition when it was purchased.

We urge the Commissioners to consider the residents and disallow almost all if not all of the one-time expenses the owners are trying to get the residents to pay. Park owners are required by law and common decency to maintain their parks in a healthy and safe state through ongoing routine maintenance. Now that the park has been brought up to an acceptable standard the maintenance expenses should be less in the future and profits higher.

Sincerely,



Theresa Acerro, president  
Southwest Chula Vista Civic Association